

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2442 - SB 2481

March 2, 2020

SUMMARY OF BILL: Makes changes to the requirements and the permissions of entities with caterer's licenses with regards to alcohol sales. Prohibits the Alcoholic Beverage Commission (ABC) from conducting more than two undercover investigations in a year on a licensed entity unless ABC receives a complaint about the particular licensee or if ABC determines that conducting an additional undercover investigation is in the best interest of public safety. Requires multiple minor violations, as defined in the proposed legislation, to be counted as a single offense. Requires the ABC to allow 10 business days for a licensee to cure a minor violation prior to imposing a fine for the minor violation. Requires all doorkeepers to have a servers permit.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$36,800/FY20-21/Strategic Technology Services

Increase State Expenditures - \$36,800/FY20-21/ABC Fund

Assumptions:

- It is assumed that any undercover investigation conducted by ABC is in the best interest of public safety, therefore the proposed legislation is estimated to be not significant with regard to this portion of the legislation.
- Any decrease in revenue from combining the multiple fines in to one and for giving the entities 10 days to cure the issue will be offset by the increase in revenue of requiring all doorkeepers to pay the \$35 fee for a servers permit.
- ABC's Regulatory Licensing and Permitting system will need to be updated to incorporate the proposed changes. The estimated increase in expenditures for updates to ABC's systems is \$36,780. It is assumed these costs will be paid to STS to cover the update costs.
- A one-time corresponding increase in revenue for STS would be \$36,780.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/abw